

GOED Board Meeting Minutes
September 8, 2011 • 10:00 a.m.
Governor's Office of Economic Development
324 South State Street, Suite 500

Members Present:	Peter Mouskondis, Mike Dowse, Mel Lavitt, Jake Boyer, Kate Riggs, Jack Brittain, Lowry Snow, Sam Granato, Brent Brown, Cliff White
Staff:	Jenni Osman, Spencer Eccles, Christopher M. Conabee, Sophia DiCaro, Zachary Derr, Riley Cutler, Kelliagh Cole, Roxanne Graham, Eric Nay, Sue Redington, Michael Sullivan, Tara Thue
Visitors:	Todd Brightwell, Jeff Edwards, Amber Deibert, Joe Jorge, Kim Frost, Derek Mellus, David Wolf, Jake Sorenson, Marshall Moore, Mimi Davis-Taylor, Matthew Piccolo, Reed Tuft Jacobs

Welcome

Mel Lavitt, chairman of the Governor's Office of Economic Development, welcomed everyone to the September 8, 2011 board meeting at the Governor's Office of Economic Development.

Approval of the August 22, 2011 minutes

MOTION: Jack Brittain moved to approve the minutes of August 22, 2011 GOED Board Meeting. Peter Mouskondis seconded the motion. Motion carried unanimously.

EDTIF- Fiberspar

Project Highlights

- Build a west coast composite pipe manufacturing and distribution facility
- Timeline: Immediately upon site due diligence completion
- Target Industry: Composites
- Proposed Location: Salt Lake County or Tooele County
- Capital Investment: Estimated at \$23.6 million in real and personal property

Jobs and Revenue

- 276 new full-time, permanent employment positions created over the life of the project
- Company average wage in excess of 125% of county wage plus health benefits
- \$80.4+ million in new state wages over 10 years
- New state revenue in excess of \$7.3 million over same period

MOTION: Peter Mouskondis moved to approve for Fiberspar a \$1,474,900 EDTIF post-performance refundable tax credit which represents 20% of new state revenue for 10 years. Sam Granato seconded the motion. The motion was carried unanimously.

- Total EDTIF incentive not to exceed \$1,474,900 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage including company contributed health insurance premiums or 125% of the Tooele County average wage excluding company contributed health insurance premiums
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.

- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive
- Incentives are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above

Joe Jorge from Fiberspar thanked the GOED Board members for considering and incenting Fiberspar. He also gave a brief explanation for the reasoning on why Utah would be a great location to open their facility which was the infrastructure in Utah and also that the Rockies are their largest market.

Procter and Gamble Recommendation: Adjusting Procter and Gamble Rebate Rate Percentage

On June 2, 2011 the Incentives Committee approved a recommendation to adjust Procter and Gamble's rebate rate percentage for three years due to delays caused by construction. This recommendation will be presented to the GOED Board at the September 8, 2011 meeting.

MOTION: Mike Dowse moved to adjust Procter and Gamble's fifty percent (50%) tax rebate rate back three years to 2015. Peter Mouskondis seconded the motion. The motion was carried unanimously.

MPIF- Dragon Warriors

Project:

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| • Category: | Feature Film (Independent) |
| • Genre: | Drama |
| • Director: | Steve Shimek, Maclain Nelson |
| • Producer: | Kristy Shimek, David Wulf |

Utah Jobs and Revenue:

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|------------------------------------|---------------|
| • Estimated Cast: | 14 |
| • Estimated Cast Average Salary: | \$100-150/day |
| • Estimated Crew: | 30-40 |
| • Estimated Crew Average Salary: | \$100-250/day |
| • Estimated Extras: | 50 |
| • Estimated Extras Average Salary: | \$0-50/day |
| • Length of Film Production: | 25 days |
| • Estimated Spend: | \$430,000 |

Project Schedule:

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|--------------------------|--------------------------------------|
| • Prep: | August 21, 2011 – October 16, 2011 |
| • Principal Photography: | October 17, 2011 – November 11, 2011 |
| • Wrap: | November 12 2011 – August 12, 2012 |

Motion Picture Advisory Committee Recommendation:

Approved by the Utah Film Commission on August 31, 2011.

MOTION: Cliff White moved to approve for Dragon Warriors, LLC a \$64,500 MPIF post-performance cash rebate which represents 15% of dollars left in state for the production of 'Dragon Warrior'. Sam Granato seconded the motion. The motion was carried unanimously.

- Total incentive not to exceed \$64,500 MPIF cash rebate.
- Incentive offer based on receipt of a complete MPIF application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

David Wolf spoke briefly on the Dragon Warriors project and due to the film incentive that is offered in Utah, he is now able to make his third film in the state. He thanked the GOED Board members for allowing this incentive to pass and the Film Commission for their hard work and effort behind the success of producing films.

MPIF- Terra Infirma

Project Highlights

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| • Category: | Feature Film (Independent) |
| • Genre: | Action |
| • Director | Christopher Cain |
| • Producers: | Darylle Mak, Peter Liapis, R. G. Green |

Utah Jobs and Revenue

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|------------------------------------|-------------|
| • Estimated Cast: | 30 |
| • Estimated Cast Average Salary: | \$981/day |
| • Estimated Crew: | 78 |
| • Estimated Crew Average Salary: | \$350/day |
| • Estimated Extras: | 250 |
| • Estimated Extras Average Salary: | \$125/day |
| • Length of Film Production: | 32 days |
| • Estimated Spend: | \$5,397,452 |

Project Schedule

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|--------------------------|---------------------------------------|
| • Prep: | September 19, 2011 – October 23, 2011 |
| • Principal Photography: | October 24, 2011 – December 9, 2011 |
| • Wrap: | December 10, 2011 – December 20, 2011 |

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) August 10, 2011.

Motion: Peter Mouskondis moved to approve for Greenwomb Productions a Motion Picture Incentive Program post-performance tax credit of no less than \$1,079,490.40 (which represents 20% of dollars left in state) and up to \$1,349,363 (which represents 25% of the dollars left in state) for the production of 'Terra Infirma'. Kate Riggs seconded the motion. The motion was carried unanimously.

- Incentive offer based on receipt the of a complete MPIF application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor's Office of Economic Development Board of Directors approval
- Greenwomb Productions may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor's Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$1,349,363 (25% of the dollars left in state)

Marshall Moore had a brief discussion with the GOED Board members on ways that the board can help bring additional projects to Utah. The board members would also like to be informed of all events that the Utah Film Commission is involved in, in the case that there is additional business in some areas.

Film Policy

MOTION: Lowry Snow moved to approve a significant Percentage of Cast and Crew from Utah and Promotional Opportunities. Kate Riggs seconded the motion. The motion was carried unanimously.

It is the policy of the Motion Picture Incentive Program that in accordance with the language of the legislation included in the motion picture amendments (House Bill 99, General Session 2011 http://le.utah.gov/~code/TITLE63M/htm/63M01_180400.htm) that;

1. (*Amendment*) In order for films, whose Utah budgets are one million dollars (\$1,000,000.00) or greater, to be eligible to receive up to an additional five percent (5%) to the baseline incentive of twenty percent (20%) for a total incentive of twenty five percent (25%), a film production company must:

- a. Meet the definition of "significant percentage of cast and crew from Utah", which shall be no less than eighty five percent (85%) of the total in-state hires of cast and crew, excluding extras, five principal cast members, two creative/executive producers, and director from the sum total of all cast and crew hires.

2. In order for films, whose Utah budgets are between two hundred thousand dollars (\$200,000.00) and nine hundred ninety nine thousand nine hundred ninety nine dollars (\$999,999.00), to be eligible to receive an incentive of fifteen percent (15%), a film production company must:

- a. Meet the definition of "significant percentage of cast and crew from Utah", which shall be no less than eighty five percent (85%) of the total in-state hires of cast and crew, excluding extras from the sum total of all the cast and crew hires.

3. In order for films, whose Utah budgets are one million dollars (\$1,000,000.00) or greater to be eligible to receive up to an additional five percent (5%) to the baseline incentive of twenty percent (20%) for a total incentive of twenty five percent (25%), when such films will not meet the eighty five percent (85%) cast and crew requirement, a film production company must:

- a. Verify seven million five hundred thousand dollars (\$7,500,000.00) or more of expenditures were made in State of Utah; and
- b. Meet the definition of "significant percentage of cast and crew from Utah", which shall be no less than seventy percent (70%) of the total in-state hires of cast and crew, excluding extras, five principle cast members, two creative/executive producers, and a director from the sum total of all the cast and crew hires; or
- c. Verify no less than fifty one percent (51%) of the project dollars left in Utah were spent in rural areas of the State; or
- d. Provide a significant promotional opportunity or opportunities for the State of Utah as agreed to by The Governor's Office of Economic Development (GOED) and the motion picture company such as:
 - i. Including a "Filmed on Location in Utah" featurette in the DVD or Blu-ray highlighting the Utah portion of the production; or
 - ii. Hosting a premier or including participation of GOED in a premiere; or
 - iii. Identifying Utah as the state location in the story of the script.

Ambassadors Program

Mel Lavitt introduced a new opportunity to the GOED Board, the ambassadors program. The idea behind this is to create an ambassadors program to support Utah. This would consist of a group of individuals that will promote Utah in their travels and every day business. A group of Olympic athletes, Billy Demong, Shannon (Bahrke) Happe, Emily Cook, and Jimmy Shea introduced themselves and gave a brief background of their accomplishments and what they are currently doing. They are very excited to have the opportunity to work with EDCU and GOED Board members to help promote and recruit businesses to Utah.

GOED Update

Sophia DiCaro, Deputy Director thanked Mel Lavitt to help start the outreach program in New York City with Governor Gary R. Herbert. She introduced new staff members, our new IT Director, David Bradford and Winston Wilkinson who will help with government affairs. The Marketing Director is being shared with USTAR to strengthen the relationships between departments. She also thanked the Board members for all of their commitment and time that they dedicate to the Governor's Office of Economic Development.

Incentives Update

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services, gave an update on the Incentives Program regarding new and existing projects in regards to new jobs, new state revenue, capital investment, and also new state wages.

EDCU Report

Jeff Edwards, President of EDCU, provided an update on the amount of projects they have in the pipeline year to date. He spoke on the projects themselves and how many jobs will be created per potential project. Most projects that are in the pipeline currently are larger than they have been in the recent past with more potential revenue and more potential jobs available in the near future.

Meeting adjourned.